

ATTACHMENT 3

M E M O R A N D U M

TO: Peggy Boehm
Director
State Budget Agency

FROM: Janet G. McCabe
Assistant Commissioner
Office of Air Management

DATE: June 15, 2000

SUBJECT: Analysis of Fiscal Impact on State and Local Governments
LSA Notice #98-235 Emissions of Nitrogen Oxides

The Department of Environmental Management has prepared this analysis of the fiscal impact on State or local governments of a new rule, 326 IAC 10-2, Nitrogen Oxide Reduction Requirements.

A copy of the draft rule and a fact sheet describing the rule in more detail are attached. The draft rule will be presented to the Air Pollution Control Board for consideration to be preliminarily adopted on August 2, 2000. This rulemaking action and fiscal impact analysis are being submitted in accordance with Executive Order 2-89 and State Budget Agency financial management circular #89-1.

The Department has determined that the proposed rule will have the following impact on State or local government:

No fiscal impact _____

Insignificant fiscal impact _____X*_____

Significant fiscal impact _____

Economic Impact Under IC 4-22-2-28

Under IC 4-22-2-28, the Indiana Department of Environmental Management has estimated the economic impact of new rule 326 IAC 10-2 to be more than five hundred thousand dollars (\$500,000)

on the regulated entities and a fiscal impact analysis has been submitted to the Office of Fiscal and Management Analysis, Legislative Services Agency.

Digest of draft rule

This rule regulates electricity steam generating units with a nameplate capacity greater than twenty-five (25) megawatts and industrial, commercial, institutional steam generating units that have a heat input capacity greater than two hundred fifty million (250,000,000) Btu per hour.

Effective date of final rule

Effective 30 days after filing with the secretary of state.

Estimation of expenditures affected by draft rule

None

Narrative discussion of fiscal impact

* Implementation and enforcement of the new rule will require no additional fiscal expenditures by IDEM and overall, will have no significant fiscal impact on units of state or local government. However, compliance costs for Richmond Power & Light, owned by the City of Richmond, is estimated to be thirty-five hundredths (.35) million dollars to one and four tenths (1.4) million dollars. This is significant for this specific unit of government.

Estimated fiscal impact of draft rule

Insignificant impact

Current biennium (FY 1999-2001)

Insignificant impact

Next biennium (FY 2001-2003)

Insignificant impact

If you have any questions concerning this matter, please contact Pat Troth, Office of Air Management at (317) 233-5681.

Attachments

cc: C. Farrow